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UNCLAS SECTION 01 OF 02 BRASILIA 003089

SIPDIS

SENSITIVE

STATE PLEASE PASS TO USTR AND USPTO  
NSC FOR MIKE DEMPSEY  
DEPT OF TREASURY FOR FPARODI  
USDOC FOR 3134/USFCS/OIO/WH/EOLSON  
USDOC FOR 4332/ITA/MAC/WH/OLAC/MWARD

E.O. 12958: N/A

TAGS: KIPR ETRD BR IPR

SUBJECT: DEMARCHE ON BRAZIL GSP/IPR REVIEW

REF: STATE 259750

**11.** (SBU) ON DECEMBER 9, AMBASSADOR AND SPECASST MET WITH AMBASSADOR ANTONIO DE AGUIAR PATRIOTA (THE FOREIGN MINISTER'S CHIEF OF STAFF) TO DELIVER REFTEL DEMARCHE AND TALKING POINTS. THE AMBASSADOR THANKED PATRIOTA FOR RECEIVING HIM FOR THE MEETING ON SHORT NOTICE. HE THEN TOLD PATRIOTA THAT HE WAS THERE TO DELIVER AN IMPORTANT MESSAGE FROM WASHINGTON REGARDING THE GSP/ISP REVIEW. THE AMBASSADOR SAID THAT AS PATRIOTA WAS AWARE, USTR HAD ANNOUNCED IN JUNE THAT THE INVESTIGATION REGARDING BRAZIL'S ENFORCEMENT OF COPYRIGHT LAW WOULD BE EXTENDED FOR 90 DAYS, AND THAT JUST RECENTLY THIS REVIEW HAD BEEN EXTENDED ONCE MORE FOR AN ADDITIONAL 180 DAYS. THE AMBASSADOR SAID THAT THE USG HAS RECENTLY HELD MEETINGS WITH THE GOB AND RECOGNIZES THE MEASURES ALREADY TAKEN BY THE GOB TO ADDRESS PIRACY. HE EMPHASIZED THAT THERE IS, HOWEVER, STRONG PRESSURE ON WASHINGTON TO WITHDRAW BRAZIL'S GSP BENEFITS, IN LIGHT OF THE \$700 MILLION IN ESTIMATED LOSSES DUE TO COPYRIGHT PIRACY. HE ASKED THAT THE GOB DEMONSTRATE PARTICULARLY AGGRESSIVE ENGAGEMENT, I.E. SELF-INITIATED RAIDS, SEIZURES AND INSPECTIONS, AND NOT JUST IN RIO AND SAO PAULO, BUT ALSO OTHER AREAS SUCH AS FOZ DO IGUACU AND IN THE NORTHEAST. HE ASKED THAT THESE ACTIONS HAVE A HIGH PROFILE, AND BE HIGHLY PUBLICIZED. HE ALSO STRESSED THE IMPORTANCE OF EXPEDITIOUS INVESTIGATIONS AND PROSECUTIONS RESULTING FROM THE RAIDS AND SEIZURES.

**12.** (SBU) PATRIOTA, WHO WAS LEAVING ON TRAVEL THE FOLLOWING DAY, ASKED IF THERE WAS A PAPER THAT HE COULD USE TO DELIVER THIS MESSAGE WITHIN THE MFA TO THE APPROPRIATE PEOPLE, AT WHICH TIME THE AMBASSADOR PASSED A NON-PAPER CONTAINING THE TALKING POINTS DETAILED IN REFTEL. THE NEXT DAY POST PROVIDED THE MFA WITH AN INFORMAL PORTUGUESE LANGUAGE TRANSLATION OF THESE POINTS.

WORKING-LEVEL FOLLOW-UP

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**13.** (SBU) FOLLOWING UP ON THE AMBASSADOR'S DECEMBER 9 DEMARCHE, ECONOFFS MET WITH MINISTER ANTONINO PORTO E SANTOS, FIRST SECRETARY OTAVIO BRANDELLI, AND THIRD SECRETARY HENRIQUE CHOER MORAES TO GET A FURTHER READOUT ON

SIPDIS

THE GOB'S THINKING. PORTO E SANTOS - AN A/S EQUIVALENT - HEADS THE MFA'S BUREAU FOR SCIENTIFIC, TECHNICAL, AND TECHNOLOGICAL COOPERATION - THE ENTITY WHICH OVERSEES IPR ISSUES WITHIN THE MINISTRY. SPEAKING INFORMALLY, OUR MFA INTERLOCUTORS MADE THE FOLLOWING POINTS:

-- IN PRINCIPLE, THE IDEA OF A MEETING OF THE BILATERAL CONSULTATIVE MECHANISM TO REVIEW PROGRESS (PRIOR TO MARCH) WAS ACCEPTABLE.

-- THE MFA, AS HAD PRIVATE INDUSTRY, HAD ALREADY FORWARDED TO THE NATIONAL ANTI-PIRACY COUNCIL A DRAFT NATIONAL ACTION PLAN. THE COUNCIL WOULD MEET EARLY IN THE NEW YEAR TO CONSIDER THESE DOCUMENTS.

-- THE PACE OF ENFORCEMENT ACTIONS AT KEY POINTS SUCH AS THE FRIENDSHIP BRIDGE HAD ALREADY INCREASED SIGNIFICANTLY. NOTWITHSTANDING THE LIMITATIONS OF THEIR DATA COLLECTION, THE MFA HOPED TO SOON FIND OUT TO WHAT DEGREE THIS INCREASED ENFORCEMENT HAD RESULTED IN PROSECUTIONS.

-- WHILE THE GOB COULD ISSUE RECOMMENDATIONS TO STATE AND FEDERAL PROSECUTORS, GIVEN THE INDEPENDENT BENT OF THE FEDERAL/STATE PUBLIC MINISTRIES THERE WAS NO GUARANTEE THAT THE PROSECUTORS WOULD PAY ANY HEED TO SUCH RECOMMENDATIONS. AND WHILE THE GOB PLANS TO LAUNCH A NATIONAL MEDIA CAMPAIGN AGAINST PIRACY, FUNDING FOR THIS YEAR IS PROBLEMATIC.

NEXT STEPS

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**14.** (SBU) EMBOFFS WILL SEEK TO ENGAGE WITH LEADERS OF THE NATIONAL ANTI-PIRACY COUNCIL PRIOR TO THAT BODY'S NEXT

MEETING. SPECIFICALLY, WE WILL SOLICIT ADDITIONAL INFORMATION REGARDING THE STATUS OF THE GOB'S ANTI-PIRACY EFFORTS AND REITERATE OUR MESSAGE REGARDING: A) THE DESIRABILITY OF THE GOB MOVING FORWARD WITH RECOMMENDATIONS TO PROSECUTORS, AND B) INITIATING A NATIONAL ANTI-PIRACY MEDIA CAMPAIGN.

DANILOVICH